



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 7/11/2002

GAIN Report #RO2010

Romania

Livestock and Products

Romania Extends Customs Duty Reduction for Pork and Beef 2002

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Report Highlights:

The GOR has extended until December 31, 2002 the period when a customs duty reduction of 20% is levied for the imports of fresh, refrigerated and frozen offals of pork and bovine from United States and other countries, as imports continue to represent about 50% of domestic consumption. This extension creates a significant opportunity for U.S. meat exporters.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Sofia [BU1], RO

Bucharest – The Government has extended until December 31, 2002 (Government Decision 643/2002) the period when customs duty reduction of 20% is levied for the imports of fresh, refrigerated and frozen offals of pork, bovine and sheep. The reduced import tax is effective for all countries, including imports from United States, the European Union, and the Central European Free Trade Area (CEFTA).

The extension of the customs duty reduction was necessary because Romanian domestic production cannot meet domestic demand for pork and beef. Imports continue to count for 50% of total domestic consumption. The livestock herd numbers have increased in the first 5 months 2002 compared to the same period in 2001 only by 6.4% in pork sector and 1.5% in bovine sector (per head basis).

Some changes will affect the regulation governing meat-processing companies located in “less-favored areas”:

- First, according to the new law of tax on profit (published recently in “Official Monitor”) all processing companies will pay the same tax on profit (25%) regardless of their location.
- Secondly, according to a draft law proposed by the Ministry of Development starting in October, 1, 2002, companies located in “less-favored areas” will not be exempted from the customs duty applied to imports of poultry, pork, beef. The GOR has recognized that the objectives of the current regulation were not reached in the meat-processing sector and the value of investments and employment in less-favored areas are lower than the budgetary outlays.

The extension of the reduction in import duties is expected to increase U.S. exports of frozen pork and pork products. There are opportunities for U.S. exports of shoulder cuts and offals, primarily for use in processing.